GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1399
ANSWERED ON:24.11.2016
Power Tariff
George Shri (Adv.) Joice

Will the Minister of POWER be pleased to state:

(a) whether the Government has initiated any enquiry on artificial inflation of Power Tariff by over invoicing coal imported from Indonesia;

(b) the steps taken by the Government to prevent this illegal practice of over invoicing that are continuing un-awaited;

(c) whether a study by an independent consultant has found serious fraud by some major companies;

(d) whether the Government is aware of serious consequences of this over invoicing as the artificial increase in Power Tariff is Passed on to the consumers; and

(e) if so, the details thereof and the steps being taken by the Union Government in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) & (b) : As per the provisions given in Sections 61 to 64 Electricity Act, 2003, the Electricity Regulatory Commissions have been entrusted with the functions of determination of Tariff for generation, transmission and distribution. The tariff of generation and transmission companies owned by the Central Government is regulated by the Central Electricity Regulatory Commission, whereas the tariff for generation, transmission and distribution within the states are determined by the State Electricity Regulatory Commissions. Under Section 62 of the Act, the Appropriate Commission determines the tariff if it is supplied from a generating company to a distribution licensee, while under section 63 of the Act, the Appropriate Commission adopts the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government. The relationship between the generating company and the distribution companies is governed by the provisions of the Power Purchase Agreements. Therefore, the Central Government has no role in this regard.

(c) to (e) : As per information made available by Directorate of Revenue Intelligence (DRI), instances of over-invoicing in respect of coal imported from Indonesia have been noticed by them and field formations have been suitably altered. Imports made in the past are under investigation.

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